

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE: March 31, 2010

LEASE No. GS-09B-02539

THIS LEASE, made and entered into this date between Suisun Harbor Square, LLC

whose address is: Suisun Harbor Square, LLC
710 Kellogg Street
Suisun City, CA 94585

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:
9,874 rentable square feet (r.s.f.), yielding approximately 8,661 ANSI/BOMA Office Area square feet and related space located on the 2nd Floor at 700 Main Street, Suisun City, California 94585, together with two (2) reserved surface parking spaces within 75 feet of the building included as part of the rental consideration, as depicted on the attached Exhibit "A" (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.
3. THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.
4. The Government may terminate this lease in whole or in part effective any time after the 10th year of this lease giving at least 120 days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. THIS PARAGRAPH HAS BEEN INTENTIONALLY DELETED.

AM PS

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:

- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code. No other parking requirements shall apply, including without limitation any set forth in the documents described in Paragraph 7 below.
- B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings; provided that the Government shall make payments for lump sum items identified in Paragraph 3.4 of the attachment sheets in the amounts specified therein. Rent is subject to adjustment in accordance with Paragraph 3.4; "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 9CA2334 version 2 and its attachments:
- C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number 9CA2334 version 2 (pages 1-49) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) [REDACTED] Special Requirements (pages 1-37);
- c) GSA Form 3517 (pages 1-2);
- d) GSA Form 3518 (pages 1-7);
- e) Sheet no. 1-3 containing Paragraphs 9-27;
- f) Floor plans of the offered space (Exhibit "A");

8. The following changes were made in this lease prior to its execution:

Paragraphs 2, 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 21 have been added.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: Suisun Harbor Square, LLC

BY

(Signature)

(Signature)

IN PRESENCE OF:

(Signature)

(Address)

UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

BY

PETER SHTEYN, CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02539

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following 15 year term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

10. The Government shall pay the Lessor annual rent as follows:

Rent is subject to adjustment pursuant to SFO Paragraph 3.4 "Tenant Improvement Rental Adjustment." Rent shall be paid according to the following schedule:

YEAR (Full term)	Shell Rent per RSF	TI @ 5.5% for 10 yr per RSF	Operating Expense per RSF	Annual Rate per RSF	Total Annual Rent	Total Monthly Rent
1	\$6.72	\$5.38	\$4.23	\$16.33	\$161,242.42	\$13,436.87
2	\$13.44	\$5.38	\$4.33	\$23.15	\$228,583.10	\$19,048.59
3	\$13.44	\$5.38	\$4.44	\$23.26	\$229,669.24	\$19,139.10
4	\$13.44	\$5.38	\$4.55	\$23.37	\$230,755.38	\$19,229.62
5	\$13.44	\$5.38	\$4.67	\$23.49	\$231,940.26	\$19,328.36
6	\$16.56	\$5.38	\$4.78	\$26.72	\$263,833.28	\$21,986.11
7	\$16.56	\$5.38	\$4.90	\$26.84	\$265,018.16	\$22,084.85
8	\$16.56	\$5.38	\$5.03	\$26.97	\$266,301.78	\$22,191.82
9	\$16.56	\$5.38	\$5.15	\$27.09	\$267,486.66	\$22,290.56
10	\$16.56	\$5.38	\$5.28	\$27.22	\$268,770.28	\$22,397.52
11	\$19.56		\$5.41	\$24.97	\$246,553.78	\$20,546.15
12	\$19.56		\$5.55	\$25.11	\$247,936.14	\$20,661.35
13	\$19.56		\$5.69	\$25.25	\$249,318.50	\$20,776.54
14	\$19.56		\$5.83	\$25.39	\$250,700.86	\$20,891.74
15	\$19.56		\$5.97	\$25.53	\$252,083.22	\$21,006.94

Rent for a lesser period shall be prorated. Rent shall be payable to:

Suisun Harbor Square, LLC
710 Kellogg Street
Suisun City, CA 94585

11. The Lessor shall have 90 calendar days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 9,874 RSF of 40,457 rentable square feet (24.41%).
13. **OPERATING COST:** Operating expenses shall be paid in accordance to the rent schedule specified in Paragraph 10 in Sheet No. 1. This paragraph supersedes SFO Paragraph 4.3 "Operating Costs."
14. **OVERTIME USAGE:** Pursuant to Paragraph 4.6 "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. - 6:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$30 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 1301 Clay Street, Oakland, CA 94612 to receive payment.
15. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.3, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the 10 year firm term of the lease agreement at an interest rate (amortization rate) of 5.5% per year.

Initials: LM & RS
Lessor Government

16. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**

- A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.10 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
- B. The price proposal required to be provided by Lessor in SFO Paragraph 5.10 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.10, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
- C. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
- D. The construction schedule required in Paragraph 5.10 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
- E. In addition to the submission requirements specified under Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 5 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

17. **ACCEPTANCE OF SPACE:**

- A. The following is added to Paragraph 5.10 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
- B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

18. **OCCUPANCY REPORTS:**

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

19. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**

20. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

21. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

22. **SUBLETTING AND ASSIGNMENT**

The General Clause set forth in 48 CFR 552.270-5 and referenced in GSA Form 3517 as Clause No. 2, is hereby deleted and replaced with the following Subletting and Assignment paragraph:

Initials: YAI & JS
Lessor Government

"(A.) The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any assignment shall be subject to prior written consent of Lessor, which shall not be unreasonably withheld.

(B.) Assignment or subletting of all or the majority of the Premises to any private sector individuals or businesses shall be subject to the Lessor's prior written consent, which consent shall not be unreasonably withheld. In determining whether to approve of a proposed assignment or sublease to a private sector individual or business, the Lessor shall approve of any creditworthy proposed assignee or sublessee (hereinafter sometimes referred to collectively as "transferee"), as long as the transferee intends to use the space in a manner reasonably compatible with the overall facility in which the Government is located (e.g. for general office uses in an office building or retail uses in a shopping center). For purposes of this Lease, "creditworthiness" shall be defined to mean a transferee who the Lessor has reasonably determined has a financial condition which will allow such transferee to afford the rent and other obligations under the Lease as they come due and shall not be confined to proposed transferee(s) with a creditworthiness comparable to that of the United States of America. Any failure of the Lessor to approve or disapprove of a proposed subletting or assignment within fifteen (15) calendar days of the date that the Government sent written notice thereof to the Lessor shall be deemed consent by the Lessor to such proposed assignment or subletting."

23. **Building Shell Exceptions.** Notwithstanding anything to the contrary in this lease or the documents described in Paragraph 7 above, the Government accepts the following existing conditions in the building shell without modification: the primary entrance and lobby, toilet rooms and elevator, and agrees that the following building shell requirements are waived: Paragraphs 7.13(A)(1), 8.6(2)(h), 8.7, 8.17(E). Further, it is agreed that the offered space satisfies the Governments requirements set forth in the [REDACTED] Special Space Requirements Paragraph 1.B, and that section is hereby waived."
24. **Substitution of Tenant Agency.** The General Clause set forth in 48 CFR 552.270-25 and referenced in GSA Form 3517 as Clause No. 6, is hereby amended for purposes of this lease to add the following additional provision: "To the maximum extent permitted by law, the Government agrees not to substitute any agency(ies) devoted primarily to criminal law enforcement, medical uses, probationary officers or mental health, or which (in the reasonable opinion of the Government representative) would involve foot traffic substantially greater than that already existing in connection with the [REDACTED] office serving members of the general public without the Lessor's prior written consent, which consent shall not be unreasonably withheld or delayed."
25. Section 3.8 of SFO 9CA2334 is hereby deleted in its entirety.
26. **Special Space Requirements.** All work required by the [REDACTED] Special Requirements described in Section 7(b) above, with the exception of Paragraph 1(C) of the [REDACTED] Special Space Requirements, shall be paid for out of the Tenant Improvement Allowance or by the Government in the manner described in Paragraph 3.4(A)(3) of the SFO. Such work shall not be construed as building shell work to be paid for by Lessor."
27. **Conflicts.** To the extent there are any conflicts between this Lease (SF-2) and the attachments described in Paragraph 7 above, this Lease shall control.

Initials: YAI & PS
Lessor Government